

Appropriations 3

The Director

29 June 1948

General Counsel

OGC Has Reviewed

GAO Relationships for Fiscal Year 1949

1. In view of the failure of Congress to pass the legislation needed for administrative support of CIA, a discussion was held today on procedures to be followed in the administration of CIA funds for the fiscal year 1949. Present at the discussion for GAO were: Mr. Fisher, General Counsel to the Comptroller General; Mr. Bell, Chief of the Audit Division of GAO; and Mr. Taylor, GAO Auditor assigned to CIA. Present for CIA were:

[REDACTED] Executive for A&M; Mr. Houston, General Counsel; Mr. Pforsheimer, Assistant General Counsel; Mr. Saunders, Chief, Budget and Finance Branch; and Mr. [REDACTED] Deputy Chief, Budget and Finance Branch.

2. The history of CIA legislation through the last session of Congress was rehearsed, and Mr. Fisher stated that, while it was regrettable that the necessary authorities had not been granted, it was clear that Congress intended CIA to continue functioning as presently constituted and that there were adequate grounds on which GAO could continue its informal support of CIA until legislation was finally enacted.

3. CIA inquired whether it would be possible to have the appropriation section of the bill established as the basis on which CIA vouchered funds would be expended during the interim period. Mr. Fisher felt that this would be impossible and that we should continue to operate under procedures now in effect. This would

4. It was specifically pointed out to Mr. Fisher that, even though CIA did not have legislative authority to perform certain acts which the bill would have authorized, it might become necessary, in order to support CIA operations, to perform such acts during the interim period, and if the Director determined that such necessity existed,

Mr. Fisher acknowledged the possibility of such a situation, and though it is felt that it would be impossible for him

in law. It is felt that the position taken by Mr. Fisher and the other representatives of the General Accounting Office is a satisfactory basis for administrative and fiscal support of CIA for the fiscal year 1949, or until adequate enabling legislation is obtained.

LAWRENCE R. HOUSTON

cc: Exec. for A&M ✓
Chief, B&F Branch

LRH:mbt